



BILLING CODE: 3510-DS-P

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

**[A-570-062, C-570-063]**

#### **Cast Iron Soil Pipe Fittings from the People's Republic of China: Initiation and Preliminary Results of Changed Circumstances Reviews**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** In response to a request for changed circumstances reviews (CCRs), the Department of Commerce (Commerce) is initiating CCRs of the antidumping duty (AD) and countervailing duty (CVD) orders on cast iron soil pipe fittings from the People's Republic of China (China). We have preliminarily determined that Wor-Biz Industrial Product Co., Ltd. (Anhui) (Wor-Biz Industrial) is the successor-in-interest to Wor-Biz Trading Co., Ltd. (Anhui) (Wor-Biz Trading) (collectively, Wor-Biz), and as a result should be accorded the same treatment previously accorded to that company. Interested parties are invited to comment on these preliminary results.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Michael Bowen at (202) 482-0768 (AD) or Dennis McClure at (202) 482-5973 (CVD), Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230.

## SUPPLEMENTARY INFORMATION:

### Background

On August 31, 2018, Commerce published the AD and CVD orders on imports of cast iron soil pipe fittings from China.<sup>1</sup> On June 7, 2019, Wor-Biz requested that Commerce conduct expedited CCRs for these AD/CVD orders to determine that Wor-Biz Industrial is the successor-in-interest to Wor-Biz Trading.<sup>2</sup> In its request, Wor-Biz addressed the factors Commerce analyzes with respect to successor-in-interest determinations in the AD context, and provided documentation in support.<sup>3</sup> On July 19, 2019, we issued a questionnaire requesting Wor-Biz to state the reasons, with particularity, for which good cause exists to initiate a CCR less than 24 months after the date of publication of the final determinations of the AD and CVD investigations, as required by 19 CFR 351.216(c).<sup>4</sup> On August 20, 2019, Wor-Biz re-filed its request, in which it stated why good cause to initiate these CCRs exists.<sup>5</sup> On October 2, 2019, Commerce determined that additional time was necessary to consider Wor-Biz's request, and therefore, in accordance with 19 CFR 351.302(b), Commerce extended the time period for determining whether to initiate the requested CCRs by an additional 45 days, until November 18, 2019.<sup>6</sup> On October 9, 2019, we issued an additional supplemental questionnaire<sup>7</sup> and we

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<sup>1</sup> See *Cast Iron Soil Pipe Fittings from the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 83 FR 44570 and *Cast Iron Soil Pipe Fittings from the People's Republic of China: Countervailing Duty Order*, 83 FR 44566, both dated August 31, 2018 (collectively, the *Orders*).

<sup>2</sup> See Wor-Biz's Letter, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Request for an Expedited Changed Circumstances Review," dated June 7, 2019.

<sup>3</sup> *Id.*

<sup>4</sup> See Commerce's Letter, "Request for Changed Circumstances Review of the Antidumping and Countervailing Duty Orders on Cast Iron Soil Pipe Fittings from the People's Republic of China," dated July 19, 2019.

<sup>5</sup> See Wor-Biz's Letter, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Request for an Expedited Changed Circumstances Review," dated August 20, 2019 (Wor-Biz's Second CCR Submission).

<sup>6</sup> See Commerce's Letter, "Request for Changed Circumstances Review of the Antidumping and Countervailing Duty Orders on Cast Iron Soil Pipe Fittings from the People's Republic of China: Extension of Initiation Deadline," dated October 2, 2019.

<sup>7</sup> See Commerce's Letter, "Cast Iron Soil Pipe Fittings from the People's Republic of China: Changed

subsequently received, on October 16, 2019, additional information relevant to successor-in-interest determinations in a CVD context.<sup>8</sup> Commerce received no comments from interested parties on Wor-Biz's CCR request.

### Scope of the Orders

The merchandise covered by the scope of these orders is cast iron soil pipe fittings, finished and unfinished, regardless of industry or proprietary specifications, and regardless of size. Cast iron soil pipe fittings are nonmalleable iron castings of various designs and sizes, including, but not limited to, bends, tees, wyes, traps, drains (other than drain bodies), and other common or special fittings, with or without side inlets.

Cast iron soil pipe fittings are classified into two major types – hubless and hub and spigot. Hubless cast iron soil pipe fittings are manufactured without a hub, generally in compliance with Cast Iron Soil Pipe Institute (CISPI) specification 301 and/or American Society for Testing and Materials (ASTM) specification A888. Hub and spigot pipe fittings have hubs into which the spigot (plain end) of the pipe or fitting is inserted. Cast iron soil pipe fittings are generally distinguished from other types of nonmalleable cast iron fittings by the manner in which they are connected to cast iron soil pipe and other fittings.

Excluded from the scope are all drain bodies. Drain bodies are normally classified in subheading 7326.90.86.88 of the Harmonized Tariff Schedule of the United States (HTSUS).

The cast iron soil pipe fittings subject to the scope of these orders are normally classified in subheading 7307.11.0045 of the HTSUS: Cast fittings of nonmalleable cast iron for cast iron soil pipe. They may also be entered under HTSUS 7324.29.0000 and 7307.92.3010. The

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Circumstances Review Supplemental Questionnaire,” dated October 9, 2019.

<sup>8</sup> See Wor-Biz's Letter, “Cast Iron Soil Pipe Fittings from the People's Republic of China: Wor-Biz's Supplemental Response,” dated October 16, 2019 (Wor-Biz's Third CCR Submission).

HTSUS subheadings and specifications are provided for convenience and customs purposes only; the written description of the scope of these orders is dispositive.

#### Initiation of Changed Circumstances Reviews

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216, Commerce will conduct a CCR upon a request from an interested party for a review of an AD or CVD order which shows changed circumstances sufficient to warrant a review of the order, but will not do so less than 24 months after the date of publication of the final determinations of the AD and CVD investigations absent a finding of good cause.<sup>9</sup> The information submitted by Wor-Biz supporting its claim that Wor-Biz Industrial is the successor-in-interest to Wor-Biz Trading, demonstrates both good cause and changed circumstances sufficient to initiate these reviews.<sup>10</sup>

Specifically, Wor-Biz states that good cause exists because a CCR is necessary to ensure that Wor-Biz's U.S. customers can accurately identify Wor-Biz by its new English name as the exporter of subject merchandise, and to ensure that cash deposits are collected at Wor-Biz's company-specific rates calculated during the AD and CVD investigations.<sup>11</sup> Commerce has previously found good cause exists to initiate a CCR less than 24 months after the date of publication of a final determination when a respondent has changed its name, as this ensures that CBP is able to assess entries at the appropriate cash deposit rate.<sup>12</sup>

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<sup>9</sup> See 19 CFR 351.216(c).

<sup>10</sup> See 19 CFR 351.216(d).

<sup>11</sup> See Wor-Biz's Second CCR Submission.

<sup>12</sup> See, e.g., *Notice of Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Certain Passenger Vehicle and Light Truck Tires From the People's Republic of China*, 81 FR 44588 (July 8, 2016) ("Sailun Jinyu HK demonstrated good cause for initiating a CCR pursuant to 19 CFR 351.216(c) because it has only changed its name and no other aspect of the company's operations, and conducting this review ensures that the appropriate deposit rate applies to Sailun Jinyu HK."); and *Certain Aluminum Foil and Common Alloy Aluminum Sheet from the People's Republic of China; Notice of Initiation and Preliminary Determination of Antidumping and Countervailing Duty Changed Circumstances Reviews*, 84 FR 48909 (September 17, 2019).

Additionally, the information submitted by Wor-Biz regarding its changed circumstances demonstrates that Wor-Biz's request is based solely on a change in its English name.

Specifically, effective October 31, 2019, Wor-Biz Trading legally changed the company's English name to Wor-Biz Industrial Product Co., Ltd. (Anhui).<sup>13</sup> The evidence submitted in support of Wor-Biz's request demonstrates that Wor-Biz Industrial is the same business entity as its predecessor and that Wor-Biz merely changed the company's English name; the Chinese company name remains the same.

Therefore, in accordance with the above-referenced regulation, Commerce is initiating CCRs to determine whether Wor-Biz Industrial is the successor-in-interest to Wor-Biz Trading.

#### Preliminary Results

When it concludes that expedited action is warranted, Commerce may publish the notice of initiation and preliminary results of a CCR concurrently.<sup>14</sup> Commerce has combined the notice of initiation and preliminary results in successor-in-interest CCRs when sufficient documentation has been provided supporting the request to make a preliminary determination.<sup>15</sup> In this instance, because we have on the record information to support the request for AD and CVD preliminary determinations, we find that expedited action is warranted, and we are combining the notice of initiation and the notice of preliminary results, in accordance with 19 CFR 351.221(c)(3)(ii).

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<sup>13</sup> See Wor-Biz's Second CCR Submission.

<sup>14</sup> See 19 CFR 351.221(c)(3)(ii).

<sup>15</sup> See, e.g., *Multilayered Wood Flooring from the People's Republic of China: Initiation and Preliminary Results of Antidumping and Countervailing Duty Changed Circumstances Reviews*, 82 FR 9561 (February 7, 2017), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Reviews*, 82 FR 14691 (March 22, 2017).

## AD Methodology

In a CCR, we generally consider a company to be the successor to another company for AD cash deposit purposes if the operations of the successor are not materially dissimilar from those of its predecessor.<sup>16</sup> In making an AD CCR determination, Commerce examines a number of factors including, but not limited to, changes in: (1) management; (2) production; (3) suppliers; and (4) customer base.<sup>17</sup> While no one or several of these factors is dispositive, Commerce will generally consider one company to be the successor to another if its resulting operation is essentially the same as that of its predecessor.<sup>18</sup> Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, Commerce will assign the new company the cash deposit rate of its predecessor.<sup>19</sup>

In its CCR submissions, Wor-Biz provided evidence demonstrating that Wor-Biz Industrial's operations are not materially dissimilar from those of Wor-Biz Trading. Specifically, Wor-Biz Industrial is managed and operated by the same management teams as those of Wor-Biz Trading.<sup>20</sup> Further, Wor-Biz Industrial has not added, or discontinued use of, production facilities as a result the English name change.<sup>21</sup> Finally, there have been no material

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<sup>16</sup> *Id.*

<sup>17</sup> See *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Multilayered Wood Flooring from the People's Republic of China*, 79 FR 48117,48118 (August 15, 2014), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Review*, 79 FR 58740 (September 30, 2014).

<sup>18</sup> *Id.*

<sup>19</sup> See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China*, 81 FR 76561 (November 3, 2016) (Solar Cells China 2016), unchanged in *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Changed Circumstances Review*, 81 FR 91909 (December 19, 2016).

<sup>20</sup> See Wor-Biz's Second CCR Submission at Exhibits 8-9.

<sup>21</sup> *Id.* at 4. Wor-Biz is only a trading company and does not produce subject merchandise.

changes to the company's suppliers or customer base.<sup>22</sup> Based on the foregoing, we preliminarily determine that Wor-Biz Industrial is the successor-in-interest to Wor-Biz Trading and, as such, that it is entitled to Wor-Biz Trading's AD cash deposit rate with respect to entries of subject merchandise.

### CVD Methodology

As a general rule, in a CVD CCR, Commerce will make an affirmative CVD successorship finding (*i.e.*, that the respondent company is the same subsidized entity for CVD cash deposit purposes as the predecessor company) where there is no evidence of significant changes in the respondent's: (1) operations; (2) ownership; and (3) corporate and legal structure during the relevant period (*i.e.*, the "look-back window") that could have affected the nature and extent of the respondent's subsidy levels.<sup>23</sup> Where Commerce makes an affirmative CVD successorship finding, the successor's merchandise will be entitled to enter under the predecessor's cash deposit rate.<sup>24</sup> Here, we find no evidence of significant changes between Wor-Biz Industrial's and Wor-Biz Trading's operations, ownership, or its corporate or legal structure that could have had an impact on Wor-Biz's subsidy levels.<sup>25</sup> Specifically, all record information with respect to Wor-Biz's trading operations,<sup>26</sup> shareholders,<sup>27</sup> and corporate and legal structure<sup>28</sup> demonstrates that Wor-Biz Industrial is the same subsidized entity as its

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<sup>22</sup> *Id.* at Exhibits 4-7.

<sup>23</sup> See *Certain Pasta from Turkey: Preliminary Results of Countervailing Duty Changed Circumstances Review*, 74 FR 47225 (September 15, 2009). Here, the relevant period, or "look-back window," is December 31, 2016 (end of the period of investigation) through August 20, 2019 (date of the resubmitted CCR request).

<sup>24</sup> See *Multilayered Wood Flooring from the People's Republic of China: Initiation and Preliminary Results of Antidumping and Countervailing Duty Changed Circumstances Reviews*, 82 FR 9561 (February 7, 2017).

<sup>25</sup> See Wor-Biz's Second CCR Submission.

<sup>26</sup> *Id.* at Exhibits 4-7.

<sup>27</sup> *Id.* at Exhibit 8.

<sup>28</sup> *Id.* at Exhibits 1-2.

predecessor.<sup>29</sup> Accordingly, we preliminarily determine that Wor-Biz Industrial is the successor-in-interest to Wor-Biz Trading and, as such, that it is entitled to Wor-Biz Trading's CVD cash deposit rate with respect to entries of subject merchandise.

Should our final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by Wor-Biz Industrial the AD and CVD cash deposit rates applicable to Wor-Biz Trading, effective the date of publication of the final results.

#### Public Comment

Any interested party may request a hearing within 14 days of publication of this notice, in accordance with 19 CFR 351.310(c). Interested parties may submit case briefs and/or written comments no later than 14 days after the date of publication of this notice.<sup>30</sup> Rebuttal briefs and rebuttals to written comments, which must be limited to issues raised in such briefs or comments, may be filed not later than 7 days after the case briefs.<sup>31</sup> Any hearing, if requested, will normally be held two days after rebuttal briefs/comments are due, in accordance with 19 CFR 351.310(d)(1). Parties who submit case briefs or rebuttal briefs in these CCRs are requested to submit with each argument (1) a statement of the issue, and (2) a brief summary of the argument with an electronic version included. Consistent with 19 CFR 351.216(e), we will issue the final results of these CCRs no later than 270 days after the date on which these reviews were initiated or within 45 days of publication of these preliminary results if all parties agree to our preliminary findings.

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<sup>29</sup> See Wor-Biz's Third CCR Submission at 1 and Exhibit S-1.

<sup>30</sup> Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

<sup>31</sup> Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for the filing of rebuttal briefs.



We are issuing and publishing this initiation and preliminary results notice in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3).

**Dated:** November 15, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

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